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# INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT PROJECT

IDEAS PROJECT YEAR III WORK PLAN  
JANUARY 1, 2013–SEPTEMBER 30, 2013

JANUARY, 2013

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United States

# **INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT PROJECT**

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## **DISCLAIMER**

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Investment Development and Export Advancement Support Project  
YEAR III WORK PLAN (January 1, 2013–September 30, 2013)



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## LIST OF ACRONYMS

<b>AEP</b>	Agency for Entrepreneurship Promotion
<b>AmCham</b>	American Chamber of Commerce
<b>BA</b>	Business Association
<b>B2B</b>	Business to Business
<b>CA</b>	Contracting Authorities
<b>CBI</b>	Centre of the Promotion of Imports from developing countries
<b>CCOM</b>	Coordinative Committee of Ministers
<b>CoC</b>	Chambers of Commerce
<b>COR</b>	Contracting Officer's Representative
<b>CRM</b>	Customer Relationship Management
<b>DI</b>	Domestic Investments
<b>DOC</b>	Development Outreach and Communications
<b>DPMEA</b>	Deputy Prime Minister for Economic Affairs
<b>ENER (EHEP)</b>	Unique National Electronic Register of Regulations
<b>EO</b>	Economic Operators
<b>EOM</b>	Employers Organization of Macedonia
<b>EPA</b>	Export Promotion Agencies
<b>ESC</b>	Economic and Social Council
<b>FDI</b>	Foreign Direct Investment
<b>FIC</b>	Foreign Investors Council
<b>GDP</b>	Gross Domestic Product
<b>GIZ</b>	German Agency for International Cooperation
<b>GoM</b>	Government of Macedonia
<b>ICT</b>	Information and Communications Technology
<b>IDEAS</b>	Investment Development and Export Advancement Support
<b>IMEG</b>	Inter-Ministerial Expert Group
<b>IP</b>	Industrial Policy
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>Invest Macedonia</b>	Agency for Foreign Investments and Export Promotion
<b>MASIT</b>	Macedonian ICT Chamber of Commerce
<b>MIM</b>	Macedonian Institute for Media
<b>MISA</b>	Ministry of Information Society and Administration
<b>MLSP</b>	Ministry of Labor and Social Policy
<b>MoE</b>	Ministry of Economy
<b>MoE IPCD</b>	Industrial Policy and Competitiveness Department in the Ministry of Economy
<b>MoU</b>	Memorandum of Understanding

<b>NECC</b>	National Entrepreneurship and Competitiveness Council
<b>NGO</b>	Non-Governmental Organization
<b>NRW</b>	North-Rhine Westphalia
<b>OSS</b>	One-Stop Shop
<b>PMP</b>	Performance and Monitoring Plan
<b>PPB</b>	Public Procurement Bureau
<b>PPD</b>	Public-Private Dialogue
<b>PR</b>	Public Relations
<b>RCI</b>	Regional Competitiveness Initiative
<b>RIA</b>	Regulatory Impact Assessment
<b>SIPPO</b>	Swiss Import Promotion Programme
<b>SME</b>	Small and Medium Enterprises
<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>TIDZ</b>	Technological Investment Development Zones
<b>TO</b>	Task Order
<b>ToR</b>	Terms of Reference
<b>USAID</b>	United States Agency for International Development
<b>USAID's ADS</b>	USAID's Automated Directives System
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>USG</b>	United States Government
<b>VAT</b>	Value Added Tax
<b>WB</b>	World Bank
<b>WP</b>	Work Plan

## EXECUTIVE SUMMARY

This document represents the Work Plan of the Investment Development and Export Advancement Support (IDEAS) Project (referred to hereinafter as the “Project”) for the third year of its implementation. This Work Plan is prepared for a period of 9 (nine) months, in order to be able to incorporate findings of the Mid-Term Performance Evaluation for the IDEAS Project, conducted by USAID/Macedonia. It was agreed with USAID to postpone the preparation of the Work Plan while the Project was awaiting the final report from the evaluators. A more detailed description regarding the evaluation and the recommendations is provided further in the text. The duration of this Work Plan is until the end of the fiscal year – September 30, 2013. It was further agreed, based on the duration of the project until December 2014, that the last year Work Plan will cover a 15 (fifteen) month period.

Year 2 implementation - The Project has finished the implementation of the second year and reached its midterm. The Project has undertaken various activities in all of the three components aimed at establishing the foundations for future growth in investment and export initiatives in Macedonia. The focus has been on operational implementation of the economic development policies and high-level directions driven by the GoM. During the second year, the Project has achieved the following key goals:

- Action Plan for Industrial Policy Implementation 2012 – 2013 and the Monitoring and Evaluation Framework for Industrial Policy Implementation adopted as part of the Action Plan for Industrial Policy Implementation 2012 - 2013.
- Project in cooperation with the Ministry of Economy devoted \$40,000 to supporting the implementation of the Program for Industrial Policy Implementation for 2012.
- The Project and the World Bank Macedonia Country Office developed a report containing substantive recommendations on how to simplify and streamline the working permits regime. The Report was officially submitted to the Government of Macedonia.
- Conducted a survey to assess investors’ aftercare expectations and needs. The final Report with recommendations for improvement of the quality and efficiency of the system of aftercare services in Macedonia was completed and the Project presented its main findings to the respective government institutions in the course of January 2013.
- Developed a Report based on the Capacity Assessment and Identification of Pilot Municipalities for Introduction of Electronic Construction Permitting System as a First Stage of the Business Licenses One-Stop-Shop (OSS). The Report was officially submitted to the DPMEA on December, 2012.
- The Project developed three comprehensive web portals that will make information more accessible to the private sector: <http://konkurentnost.mk/>, <http://www.ener.gov.mk/>, and the export promotion portal under <http://www.investinmacedonia.com/>;
- Organized trainings on usage of the new updated ENER and konkurentnostmk portals.
- Trained economic promoters and export promotion department staff in Invest Macedonia for business development and market information function. In addition, a coordination meeting with the private sector was organized to prepare the Draft-Operational Plan of Invest Macedonia for 2013.
- Established business development export function within Invest Macedonia and provided support to the Agency to plan and implement 9 promotional events in three strategic sectors: Agribusiness and Food Processing; Automotive Components and the Information and Communications Technology Industry.
- Improved the knowledge of the Invest Macedonia management and export department staff on export promotion functions; and how the state funded export promotion agencies operate. In addition, opportunities for future cooperation were established with two trade investment agencies in the EU.



- In cooperation with CBI we developed an export brochure “We are Learning Export”, with the theme designed by the Ministry of Economy of Republic of Macedonia.
- Organized the founding assembly meeting for the National Entrepreneurship and Competitiveness Council of the Republic of Macedonia. Provided assistance to NECC in establishing five committees: a) SME and craftwork; b) domestic and foreign investment; c) human resources; d) sectorial, with 5 sector subcommittees, and e) technologic development.
- Assisted the national Economic-Social Council through the support of the national Employer Organization of Macedonia in enhancing the ISO26000 standard.
- Provided assistance to 4 CoC’s to create and publicly present policy papers focused on export and investment.
- Established collaboration with the business media outlet “Kapital” on publicizing project-related articles aimed at increasing the public’s awareness of the Project’s successes and efforts given in the direction of creating a good institutional environment for investment and export facilitation.
- Organized a roundtable with representatives of 23 different media outlets in order to increase the awareness of Macedonian Media on the Importance of Public-Private Dialogue, Industrial Policy Implementation and Export Promotion.
- Organized series of trainings and workshops in all components, in which 995 people participated; out of which 494 were female and 501 male.

Evaluation, findings and recommendations - At the end of the second year, in the period October/November, USAID/Macedonia conducted a Mid-Term Performance Evaluation for the IDEAS Project, performed by Optimal Solutions Group, LLC. The assessment team examined the current status of the Project by conducting a thorough document review, assessing the progress of each project component to-date, followed by in-country key informant/stakeholder interviews. The team specifically evaluated each project component with respect to effectiveness, relevance and sustainability prior to formulating their recommendation for the respective components.

The main findings of the evaluation were:

- To scale back activities in the IP implementation support to GoM;
- To partner with the Directorate for the Technological Investment Development Zones, in order to materialize important activities under the Project’s investment aftercare subcomponent;
- To continue supporting Invest Macedonia in export promotion activities if GoM financial support is forthcoming to the agency for the following year;
- To continue supporting export readiness activities through “We Are Learning Export” with Ministry of Economy and Agency for Entrepreneurship Promotion;
- To continue supporting: 1) National Entrepreneurship and Competitiveness Council of the Republic of Macedonia; 2) capacity building of Chambers of Commerce staff; and 3) Regulatory Impact Assessment while scaling back support activities to the Economic and Social Council.

Preparation of the Year III Work Plan - The Project immediately took the recommendations into consideration and incorporated them in the activities planned for implementation in the following year, described in detail in this Work Plan. Furthermore, in the preparatory period, the Project had intensive consultations with stakeholders in order to ensure commitment, inclusion, and accomplishment of the planned activities. These activities have been discussed on numerous meetings during this period and are in line both with the Project’s scope of work and the governments/stakeholders’ programs and action plans, as well as with their budget capacity. All of this resulted with a final presentation to USAID, together with the stakeholders, once again confirming their commitment, as well as the strong link and cooperation the Project has established.

# **I. COMPONENT A–FOREIGN DIRECT INVESTMENT (FDI) / DOMESTIC INVESTMENT (DI) / EXPORT FACILITATION AND INVESTMENT AFTERCARE IMPROVED**

## **II. THEME 1: IMPLEMENTATION OF THE NEW GOM INDUSTRIAL POLICY FOR ENHANCED INTER-MINISTERIAL COORDINATION AND STREAMLINING OF DI, FDI AND AFTERCARE**

### **I. Current Situation**

For clarity purposes and better focus in the design of specific assistance efforts, in this work plan the Project continues the practice of grouping all activities under Component A, Theme 1 under two sub-components. The first (Activity 1) remains focused on the industrial policy implementation support while the second (Activity 2), in the first two years devoted to streamlining of investment procedures in general, becomes more specific encompassing assistance for development and strengthening of efficient and effective aftercare services for foreign investors.

In addition to specifying the focus under the second sub-component, starting with this work plan, the Project significantly reduces its support to the industrial policy implementation process and shifts the majority of its resources to assistance in the aftercare area. The main reasons for these changes are the following:

- A new industrial policy support project funded through the EU IPA (Instrument for Pre-Accession) is expected to start in the course of 2013. This assistance opportunity was initiated by the Ministry of Economy back in 2010 and was thus in a pipeline since the beginning of IDEAS in 2011. The fact that the industrial policy process will benefit from additional donor assistance starting in 2013 was fully taken into consideration during the IDEAS long-term strategic planning process and is consequently being reflected in this work plan. The new IPA project will represent a next generation of industrial policy assistance and will continue the IDEAS work on strengthening coordination and capacity of government institutions to design and implement competitiveness programs and measures that will significantly impact the economic growth and job creation in Macedonia.
- The mid-term external evaluation of the work of the IDEAS Project completed in December 2012 strongly recommended intensification of the assistance efforts in the area of aftercare support.
- Last but not least, in the fall of 2012, the Project carried out a survey among the largest foreign investors in the country and discussed the issue of the current aftercare system with all relevant government institutions. The findings of the report unequivocally diagnosed weaknesses in the institutional and human capacity for provision of aftercare services and recommended an urgent set of actions for improvements in this area.

## **II. Planned Activities**

### **ACTIVITY I – INDUSTRIAL POLICY IMPLEMENTATION SUPPORT TO THE GoM**

The reallocation of resources within this component elaborated above will not result in complete termination of the Project support to industrial policy implementation, though it will significantly reduce its scope. Along these lines, the Project will continue to support activities that have been part of its portfolio in the past. Specifically, the Project will support the process of strengthening of the quality of access by Macedonian companies to information on numerous programs and projects initiated by the government institutions and the donor community in support of the private sector competitiveness, which began with the development of the web portal KonkurentnostMK.

#### **I. Support of the operation and functioning of the web portal KonkurentnostMK**

The web portal [www.konkurentnost.mk](http://www.konkurentnost.mk) was developed by the Project in the course of 2012 in close cooperation with the Ministry of Economy as an institution responsible to host and manage it. It was officially launched on January 15, 2013.

The main objective of the activities implemented under this effort is to continue to support the Ministry of Economy in continuously increasing the quality and the quantity of information posted on KonkurentnostMK and assist them in reaching out to as many as possible potential users thus increasing their awareness on the benefits of the portal contents. To achieve this, the Project plans to carry out the following activities:

##### ***1.1 Develop an Albanian version of KonkurentnostMK***

Assistance in this regard was specifically requested by the Ministry of Economy in a desire to bring the portal and its contents closer to the Albanian-speaking segments of the business sector. In order to accommodate it, the Project plans to:

- Implement software modifications and upgrades for a bilingual functioning of the portal enabling full functionality in Albanian language.
- Develop, print and disseminate the KonkurentnostMK promotional brochure in Albanian language.

##### ***1.2 Assist Ministry of Economy in promoting KonkurentnostMK to the business community***

Although it is already completed and made available to companies, the success and the impact of KonkurentnostMK will largely depend on the number of companies that will be visiting and using it. It is thus crucial to continue to increase the awareness of the business community on the existence of such web portal and its contents and the Project plans to continue to assist the Ministry of Economy in these efforts through the following:

- Promote KonkurentnostMK through the most relevant economic magazine in Macedonia KAPITAL by publishing an article on the portal and distributing 1,500 copies of the promotional brochure in the same issue of the magazine.
- Present KonkurentnostMK at promotional events organized in three different cities in Macedonia. Events will be organized in cooperation with the chambers of commerce and will in addition to this portal include promotion of the other two e-government solutions supported by the Project (the Export Portal and the ENER system).

### ***1.3 Additional upgrades of KonkurentnostMK***

Given that every e-government solution is dynamic, and the fact that the regular use of KonkurentnostMK may identify needs for corrections and improvements that would further increase its value to users, the Project commits a share of its resources under this subcomponent for implementation of possible software upgrades defined as result of the user experiences encountered during the initial period of operation. The functional requirements for the upgrades will be prepared upon request and in consultations with the Ministry of Economy.

## **ACTIVITY 2 – SUPPORT GoM IN ESTABLISHING EFFICIENT AND EFFECTIVE AFTERCARE SERVICES**

As already emphasized in the introduction to this section, the vast majority of assistance efforts under component A1 will be devoted to supporting GoM in developing a predictable and structured system for provision of aftercare services. The decision to focus future work in this area was primarily based on the Report on Advancing Aftercare prepared by the Project in the fall of 2012 which found the following:

- Foreign investors surveyed for the needs of the Report are significantly dissatisfied with the current functioning of the aftercare system in terms of the lack of clarity as to what are the services they could expect from the relevant aftercare providers, what is the procedure for benefiting from these services, the general amount of information available to foreign investors on issues of interest for their operation, etc. and expressed a clear demand for improvements in this area.
- Government institutions responsible for servicing investors in Macedonia are fully aware of the weaknesses of the current (non)functioning of the aftercare process and most of them expressed commitment to undertaking efforts for progress in this area.
- Last, but not least, Government of Macedonia continues with its intensive promotion of Macedonia as an investment destination and these efforts are expected to contribute to increase in the number of the foreign investment operations established in Macedonia. As this process takes place, the provision of aftercare services to the investors will become even more challenging taking into consideration the current weaknesses of the system. Thus, the establishment of a more structured and predictable aftercare service and the creation of the institutional and human capacity its provision must begin immediately.

In context of the above diagnosis, in the nine months of duration of this work plan the Project plans to launch a set of assistance activities that will assist its main partners, Invest Macedonia and the TIDZ Directorate, in developing the basic aspects of an efficient and effective aftercare system. The successful implementation of the activities elaborated below is expected to create a solid foundation for all future endeavors aimed at strengthening the quality of aftercare services, regardless of whether they are supported by USAID.

## **2. Facilitate and enhance coordination and collaboration among various stakeholders relevant for efficient functioning of the system of investor aftercare**

Given the diverse nature of aftercare, efficient provision of services in this area requires strong coordination and collaboration between the institutions that regulate specific aspects and processes relevant for successful functioning of foreign investors in the country. So far, coordination and collaboration in the context of aftercare were not very effective, e.g. they were taking place in a spontaneous and ad hoc manner which made their contribution to the overall process less predictable and efficient.

Thus, the initial Project assistance endeavors will focus on facilitating the establishment of simple mechanisms that will enable regular and more focused coordination and collaboration among various public and private sector stakeholders in the aftercare process at three levels, namely:

- Assist Invest Macedonia and TIDZ Directorate in establishing an Aftercare Working Group to serve as a platform for coordination of all activities implemented by these two institutions as the main providers of aftercare services in Macedonia.
- Assist Invest Macedonia and TIDZ Directorate in developing a mechanism for regular coordination with other institutions instrumental in delivering efficient high-quality aftercare services to foreign investors in areas including permitting procedures, tax regulations, visa and working procedures, and labor issues.
- Assist Invest Macedonia and TIDZ Directorate in enhancing the dialogue with the investment community by facilitating regular meetings and other joint events organized by these two institutions and the associations representing the foreign investor community - the Foreign Investors Council – FIC and other similar organizations.

### **3. Assist Invest Macedonia and TIDZ Directorate in defining a core set of aftercare services to be offered to foreign investors**

The lack of a clear, structured and predictable set of aftercare services was identified by the participants in the foreign investors survey carried out by the Project as one of the main weaknesses of the current aftercare process. The majority of investors emphasized that they need to have more information communicated to them by Invest Macedonia and/or the TIDZ Directorate regarding the specific services for which they could expect assistance and how they could benefit from such assistance. In addition, improvements in this area will also help Invest Macedonia and the TIDZ Directorate in better organizing their human and financial resources for successful delivery of the identified services.

Defining of a core package of aftercare services is expected to set the foundation for creation of a structured system for their provision and increase the predictability in the expectations of the foreign investors in this area. The Project will support this endeavor through the following activities:

- Facilitate discussion and consultations within the Aftercare Working Group on the realistic and feasible list of aftercare services that these two institutions should provide to investors in the short term, criteria for eligibility of investors, and the procedures for provision of the defined services. In terms of the type of services, they will need to correspond to the current capacity and resources of Invest Macedonia and the TIDZ Directorate, i.e. to focus more on informing wider categories of foreign investors on issues of their interest, while delivering individual tailored assistance only to select investors of highest importance.
- Assist the Aftercare Working Group in identifying the institutions with which Invest Macedonia and the TIDZ Directorate should cooperate in the provision of the identified services.
- Draft the service level documents capturing the procedures and the steps for delivery of identified services with respective institutions.
- Assist Invest Macedonia and the TIDZ Directorate in communicating the set of services and the procedures for their provision to the foreign investor community.

#### **4. Assist Invest Macedonia and TIDZ Directorate in developing a foreign investor's database**

One of the main shortcomings of the current institutional aftercare environment is the lack of a centralized comprehensive database of foreign investors that already operate in Macedonia. The absence of such tool significantly hampers the efforts for provision of any type of aftercare services by the respective providers. In other words, the fact that no institution in the country maintains and updates a complete repository of the investors as potential aftercare users clearly speaks of the ad hoc and volatile nature of the system.

Under this work plan, the Project will support Invest Macedonia in setting up the foundation for a comprehensive database that will contain all necessary data for the key investors in the country. The establishment of such database will represent a very important step forward in the process of development of an efficient aftercare system since it will enable Invest Macedonia and the TIDZ Directorate to reach out to targeted investors and distribute to them various information in a more organized, efficient and comprehensive manner. The assistance will include the following:

- Identify in cooperation with the Aftercare Working Group the data to be collected for each investor entering the database.
- Collect the data in cooperation with all relevant institutions that can serve as a source of information, e.g. Central Registry, Foreign Investors Council, other foreign investor associations (AmCham, German-Macedonian Chamber), etc. Data will be collected through a questionnaire specifically tailored to include the above identified information.
- Develop criteria for categorization of investors in the database thus enabling different levels of aftercare support to be provided to different investors.
- Develop the database software featuring the data and the structure agreed with the counterparts.

#### **5. Capacity building for efficient aftercare**

Due to the fact that Invest Macedonia and the TIDZ Directorate have not, thus far, provided aftercare services in a structured and institutionally organized way, their human capacity in this area is fairly weak. Both institutions have just recently assigned staff members who will be working with the Project in the implementation of the aftercare assistance activities; since these employees are either newly-employed or have thus far been engaged on other issues in their respective institutions, their understanding of the concept of aftercare is rather shallow. Hence, the Project plans to put significant focus on increasing the related knowledge of the people who will be working on aftercare and on strengthening their skills for more efficient delivery of aftercare services. These capacity building efforts will be taking place continuously, through the day-to-day work and collaboration in the implementation of the above elaborated assistance activities. In addition, the Project plans to carry out two specific capacity building events, namely:

##### **5.1 Aftercare study visit**

The main objective of this activity is to increase the understanding and the knowledge of the Invest Macedonia and TIDZ Directorate staff on the concept of efficient aftercare and the capacities and skills needed for implementation of high-quality investor services.

To achieve this, the Project plans to organize a study visit for a group of selected aftercare employees to a foreign investment promotion agency with an advanced aftercare system. The study visit will provide a unique opportunity for the participants to obtain direct insight into the day-to-day functioning of the aftercare unit in the host agency, their structure and organization, methods and tools for interacting with the investors and specific service offerings, as well as enable them to learn

more on the challenges and the obstacles that the host agency faced in the process of developing their aftercare system.

### **5.2 Human and institutional capacity building seminar for Invest Macedonia**

This activity will specifically focus on strengthening the capacity of the staff of Invest Macedonia and it will be implemented together with the Project's component on export promotion. It encompasses organization of a three-day seminar for Invest Macedonia employees who directly cooperate with the Project. Seminar topics will include presentations and courses that are expected to enhance the participants' capacity for team work and improve their communication and interaction skills. In addition, the Project will organize discussion sessions devoted to the specific topics of interest for its work: export promotion and investor aftercare.

## **III. Expected Results**

The successful implementation of the activities elaborated under Component A, Theme I is expected to result in the following:

- The web portal KonkurentnostMK recognized by the business community as a central spot for obtaining information on the competitiveness initiatives implemented by the Government of Macedonia and the donor community. Its usage confirmed by a steady increase in the number of visits.
- The web portal KonkurentnostMK recognized by the government institutions and the donors as a useful tool for reaching out to the business community and informing the companies on the available competitiveness support.
- Aftercare Working Group established.
- Mechanism developed for coordination and collaboration among the government institutions regulating foreign investors' areas of interest.
- Regular consultations between the Aftercare Working Group and the foreign investor community established.
- Set of core aftercare services defined and communicated to investors.
- Database of foreign investors established including information on key investors in Macedonia.
- Aftercare study visit for the Invest Macedonia and TIDZ Directorate staff to a foreign investment promotion agency organized.
- Human and institutional capacity building seminar for Invest Macedonia organized.

Component A, Theme I–Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget
<b>Activity 1- Industrial Policy implementation support to the GoM</b>					
I.	<p>Continue to support the operation and functioning of the web portal KonkurentnostMK:</p> <p>I.1 Bilingual functionality:</p> <ul style="list-style-type: none"> <li>- Implement software modifications and upgrades for a bilingual functioning of the portal enabling full functionality in Albanian</li> <li>- Develop, print and disseminate the KonkurentnostMK promotional brochure in Albanian language.</li> </ul> <p>I.2 Assist Ministry of Economy in promoting the portal among the business community:</p> <ul style="list-style-type: none"> <li>- Promote KonkurentnostMK through the most relevant economic magazine in Macedonia KAPITAL by publishing an article on the portal and distributing 1,500 copies of the promotional brochure in the same issue of the magazine.</li> <li>- Organize one of the three events for promotion of the e-government solutions supported by the Project (KonkurentnostMK, Export Portal and ENER system) in three different cities in Macedonia. Each event will be organized in cooperation with a different chamber of commerce.</li> </ul> <p>I.3 Based on the information on the user experiences encountered during the first eight months, support additional functional upgrades and improvements of KonkurentnostMK. Functional requirements for the upgrades will be prepared upon request and in consultations with the Ministry of Economy.</p>	<p>Continue to increase the quality and the quantity of information posted on KonkurentnostMK and reach out to as many as possible potential users increasing their awareness on the benefits of visiting KonkurentnostMK.</p>	<p>January – September 2013</p>	<ul style="list-style-type: none"> <li>• Ministry of Economy</li> <li>• NECC</li> <li>• Chambers of Commerce</li> </ul>	<p>Total budget: \$9,000</p>
<b>Activity 2 - Support GoM in establishing efficient and effective aftercare services</b>					



Component A, Theme I—Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget
2.	<p>Facilitate and enhance coordination and collaboration among various stakeholders relevant for efficient functioning of the system of investor aftercare:</p> <ul style="list-style-type: none"> <li>- Assist Invest Macedonia and TIDZ Directorate in establishing an Aftercare Working Group that will serve as a platform for coordination of all activities implemented by these two institutions as the main providers of aftercare services in Macedonia.</li> <li>- Assist Invest Macedonia and TIDZ Directorate in developing a mechanism for regular coordination with other institutions instrumental in delivering efficient high-quality aftercare services to foreign investors.</li> <li>- Assist Invest Macedonia and TIDZ Directorate in enhancing the dialogue with the investment community by facilitating regular meetings between their representatives and the representatives of the investor community, namely the Foreign Investors Council – FIC and other foreign investor associations.</li> </ul>	<p>Improve coordination and collaboration among all public and private stakeholders relevant for efficient functioning of the aftercare process.</p>	<p>February – June 2013</p>	<ul style="list-style-type: none"> <li>• Invest Macedonia</li> <li>• TIDZ Directorate</li> <li>• Other public and private sector stakeholders</li> </ul>	<p>N/A</p>
3.	<p>Assist Invest Macedonia and TIDZ Directorate in defining a core set of aftercare services to be offered to foreign investors:</p> <ul style="list-style-type: none"> <li>- Facilitate discussion and consultations within the Aftercare Working Group on the realistic and feasible list of aftercare services that these two institutions should provide to investors in a short term and determine the procedures for their provision.</li> <li>- Identify institutions with which Invest Macedonia and the TIDZ Directorate should cooperate in the provision of the identified services.</li> </ul> <p>Draft the service level document capturing the agreed set of services and the procedures for their provision and make the document available to the foreign investors.</p>	<p>Provide the foundation for creation of a structured system for provision of aftercare services and increase the predictability in the expectations of the foreign investors in this area.</p>	<p>February – June 2013</p>	<ul style="list-style-type: none"> <li>• Invest Macedonia</li> <li>• TIDZ Directorate</li> <li>• Other government institutions</li> </ul>	<p>Total budget: \$4,000</p>

Component A, Theme I—Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget
4.	<p>Assist Invest Macedonia and TIDZ Directorate in developing a foreign investors database:</p> <ul style="list-style-type: none"> <li>- Identify in cooperation with the Aftercare Working Group the data to be collected for each investor entering the database.</li> <li>- Collect the data in cooperation with all relevant institutions that can serve as a source of information, e.g. Central Registry, Foreign Investors Council, other foreign investor associations, etc.</li> <li>- Develop criteria for categorization of investors in the database.</li> </ul> <p>Develop the database software featuring the data and the structure agreed with the counterparts.</p>	Establish a credible database of foreign investors that will enable Invest Macedonia and the TIDZ Directorate to reach out to relevant investors and distribute to them various information in a more efficient and comprehensive way.	April – September 2013	<ul style="list-style-type: none"> <li>• Invest Macedonia</li> <li>• TIDZ Directorate</li> <li>• Foreign Investors Council</li> <li>• Other foreign investor associations</li> </ul>	Total budget: \$10,000
5.	Support Invest Macedonia and TIDZ Directorate in strengthening the capacity of their staff for implementation of efficient and effective aftercare services by organizing a study visit to a foreign investment promotion agency with advanced aftercare system.	Increase the understanding and knowledge of the Invest Macedonia and TIDZ Directorate staff on the concept of efficient aftercare and the capacities and skills needed for implementation of high-quality investor services.	March - April 2013	<ul style="list-style-type: none"> <li>• Invest Macedonia</li> <li>• TIDZ Directorate</li> </ul>	Total budget: \$24,000
6.	In coordination with the Project export promotion component, organize team building and educational event for the employees of Invest Macedonia to strengthen their capacity for team work, enhance their soft skills and improve their knowledge in export promotion and aftercare.	Increase the capacity of Invest Macedonia staff in areas of assistance supported by the Project.	March - 2013	<ul style="list-style-type: none"> <li>• Invest Macedonia</li> </ul>	Total budget: \$3,000
<b>TOTAL BUDGET - \$50,000</b>					

### **III. THEME II: DEVELOPMENT AND IMPLEMENTATION OF A COMPREHENSIVE EXPORT PROMOTION STRATEGY AND TRADE POLICIES TO SUPPORT EXPORTS**

#### **I. Current Situation**

As a small and open economy, Macedonia's economic future depends on its ability to create competitive exportable products and services with higher value added. Since the independence in 1991, Macedonia has experienced negative trends in its international trade. Based on the statistical information during the past decade, coverage of imports with exports in the country was approximately 60%.

The Macedonian economy is characterized by a heavy dependence on metals and petroleum products; exports are dominated by labor and capital-intensive industries such as textiles and manufacturing. These structural problems of the economy were additionally complicated with the impact of the Global Financial and Economic Crisis beginning in 2008 and fall of the global consumption.

Therefore it became critical that Macedonia's future exports focus on higher-value and higher-margin products, created based on innovation, technology, and knowledge transfer. In this context, the Project has supported the Ministry of Economy to create export promotion policies, as well as supporting the newly-created Export Promotion Agency (Invest Macedonia) in carrying out its export mandate. Considering the lack of resources and know-how, the Project has provided Invest Macedonia with the structure and mechanisms it needs to efficiently support the key industries that were identified by the stakeholders as critical to quickly boosting exports.

Our approach during the first two years concentrated on building the processes and mechanisms for Invest Macedonia to provide relevant services to export-oriented companies, focusing on key sectors with the highest potential and aligned with the national Export Promotion Strategy. Focus during Project activities was on setting up the organization, strengthening the capabilities of Invest Macedonia through training and hands-on coaching, and coordination of Invest Macedonia efforts with the business and donor community at large to extend its outreach and impact.

Using this approach, we have combined horizontal activities that set the framework and apparatus of Invest Macedonia (i.e., vision, mission, organizational structure, business model) with vertical activities that will root the framework in the realities of the current environment (i.e., implementation). Such an approach enabled us to accomplish two objectives: (1) define the long-term concept of the agency, and (2) create immediate and visible results.

Most of the accomplishments during the first two years have been divided into three categories: strategic, implementation and capacity-building activities.

On the strategic level, the comprehensive Strategic Framework for Invest Macedonia was developed, covering the organizational aspects, sector selection, and service.

On the implementation level, the process for establishing traditional export promotion functions in Invest Macedonia was initiated, with emphasis on business development and market information functions. Supporting this, nine export promotion events (trade fairs, B2B, and business forums) were organized in the three strategic sectors (agriculture, automotive and IT services) with participation of 67 companies. In addition to establishing business leads, these activities also contributed to building the knowledge of the companies for export and in the capacity-building process of Invest Macedonia. During the implementation of the activities, Invest Macedonia staff and private sector were coached by the Project.

In the area of capacity building, the most important activity was creation of the IT infrastructure for Invest Macedonia through upgrading the existing Customer Relation Management system and creation of the export web portal as a tool for establishing virtual business leads and electronic

matching of domestic exporters with potential clients abroad. This web platform also serves as a base for publishing market entry reports, contributing to creation of an information-rich environment for exporters, and increasing of companies' awareness of exports. To this end, a study tour to the Czech Republic and Slovakia and their relevant Export Promotion agencies was supported by project, as well several trainings for economic promoters and planning workshop for Invest Macedonia's annual operational plan.

In the area of export readiness, the Project supported the implementation of the Governmental measure "We are Learning Export" and establishment of the first general export curricula in the country.

The Strategic Framework for Invest Macedonia represents the manual for achieving the organizational objectives for the midterm period. During the first two years, the foundation of traditional export promotion functions was established. These efforts should continue in the forthcoming period.

## **I. Planned Activities**

The main emphasis of the planned activities in Year 3 is further implementation of export promotion and export readiness activities, and human and institutional development of Invest Macedonia. This effort is divided into five categories: (1) Export Promotion Support (2) Export Analysis Support, (3) Export Readiness Support, (4) Export Education and Awareness and (5) Institutional Development of Invest Macedonia.

### **ACTIVITY 1 - Export Promotion Support**

During Year 2, several functions from the spectrum of traditional export promotion activities were established in Invest Macedonia (business development functions i.e. trade fair participation, B2B events and business leads). The main objective of these efforts was to develop sustainable capacity in Invest Macedonia to support export promotion activities that will potentially bring new markets, more business partners, and increase the volume of export of Macedonian companies.

Export promotion activities, such as trade fair participation, B2B, business forums, and trade missions organized by Invest Macedonia in the selected sectors with the highest export potential will continue to be implemented in the forthcoming year, given their importance for generating exports.

Based on international experiences from other export promotion agencies, consistency and continuity are crucial factors for the overall success of export promotion activities. Analysis of the results from implemented export promotion programs, especially for those focused on trade fair participation, has shown that more significant results from these efforts could be expected after three continuous exhibitions at the same trade fair. From another perspective, presentation of companies at National Stands has had a positive impact on development and positioning of the brand of the country and industry. This is very relevant for Macedonia as a small country. According to World Bank studies, each dollar invested in the export promotion creates 50 dollars of export.

During Year 3 several activities in the field of export promotion will be initiated, supported and implemented, focused on the following economic sectors:

#### **Agro sector**

According to the Government of Macedonia, the agricultural sector has been identified as one of the key pillars of the Macedonian economy. To support this in recent years, significant funds from the budget were reallocated to subsidies for primary agricultural production with the objective of

increasing the volume and quality of agriculture production, improving productivity and yields per hectare, as well as implementing food safety standards.

Along with support for agriculture production, during 2013 the GoM (through the Ministry of Agriculture and Invest Macedonia) reallocated 370,000 Euros to support companies' participation in several international trade fairs, listed below:

PRODEXPO 2013, Russia 11-15 February 2013; Fruit Logistica; Germany, 6-8 February, 2013; WINEXPO-2013 China (Guangzhou) and International Wine & Spirits Exhibition, China, 10-12 May 2013; FFV Fair WORLD FOOD 2013, Russia, 16-20 September, 2013; and Anuga, Germany, 5-9 October, 2013.

In the area of economic promotion, the Project will support Invest Macedonia and the private sector to implement at least two promotional events, coaching them through the process. These events will cover all aspects related to successful trade fair organization (training of the companies for trade fair participation, reservation of the fair space, branding, stand construction, logistics, follow up with the potential buyers, assessment of the results, etc). Activities in the area of the agribusiness sector will be coordinated and implemented with USAID AgBiz project and other relevant donors such as SIPPO and GIZ.

The first promotional event in Year 3 will be promotion of the Macedonian fresh fruit and vegetable producers at the trade fair Fruit Logistica in Germany. These specialist trade fairs offer the sectors connected with the fresh fruit and vegetable business an ideal opportunity to present their products across the entire added-value chain, from growing to point-of-sale. Suppliers of products and services for packaging, storage, transport, and warehousing and product presentation also exhibit their offerings. Participation in Fruit Logistica is expected to enable Macedonian agro business producers to continue the brand awareness process of "Made in Macedonia" in international markets, as well to strengthen the confidence of foreign partners about the capabilities of Macedonian producers of Fresh Fruit and Vegetables.

The Project will work closely with Invest Macedonia, USAID AgBiz Program, USAID RCI and private sector associations and Chambers to organize a regional agro business forum and B2B event that will target companies in the Balkan region. The main objective of the activity will be: to strengthen the existing business links between the companies in the region, to establish new business contacts between the companies; and to facilitate trade in the region.

Together with Invest Macedonia's economic promoter for Chicago, USA and AgBiz, the Project will work to organize the virtual B2B event between Macedonian agro sector producers and potential buyers from the ethnic store market in Chicago. Depending on results generated by this event, in the future, a virtual B2B could become a useful cost-effective tool for economic promotion.

## **ICT**

In recent years, the software industry has emerged as one of the most dynamic sectors of the Macedonian economy. Analysis of exports of Macedonian software and IT services demonstrates a trend of positive growth of exports through the years. Like several other countries in transition from South East Europe, Macedonia has discovered the strategic importance of the software industry and its enormous potential for exports.

In accordance with the IT export strategy developed by MASIT, the German, UK and Scandinavian markets were identified as those with the most potential for Macedonian software producers. During Year 2 of the Project, the Project successfully supported the presentation of the Macedonian ICT industry to the UK market (visit of Gartner Outsourcing Summit and B2B event in London, UK).

Export promotion efforts in the IT industry will continue in Year 3, targeting the German market with organization of a B2B match-making event in Dusseldorf, Germany from 05-06 February, 2013.

Ten software companies from Macedonia will attend the event, with organizational support provided by USAID IDEAS Project, Invest Macedonia, GIZ and MASIT.

Two additional agencies will be involved in organization of the event through GIZ IEP Project: NRW Invest (state-owned economic development agency of the German state North Rhine-Westphalia) and Zenit (public-private partnership business body). It is expected that the participation of the Macedonian companies in this event will be an excellent opportunity to generate business leads for Macedonian software exporters (business development).

## **Apparel**

Apparel represents a very important industry segment of the Macedonian economy, encompassing 1,500 registered enterprises and employing 40,000 people. The apparel sector creates exports of 400 million Euros representing 17% of total exports and about 2.4% of GDP. For all these reasons the apparel sector was selected in the Export Strategy as key for the Macedonia's exports. In general, support for improvement of the competitiveness of the apparel sector has been provided by various donor programs funded by USAID, SIPPO, GIZ and CBI. During 2012, an apparel sector gap analysis for was prepared by the Swiss donor program (SIPPO), focusing mainly on productivity improvements and quality of apparel production. Some aspects of export promotion were also addressed by this analysis.

In the course of supporting activities of economic promotion in the apparel sector, during Year 3, the Project together with SIPPO, Invest Macedonia and textile association (TTA) will work to implement the market research for four prospective EU markets (Germany, Denmark, Sweden and France) for export. Information gathered in the market research will include: customer profiles, type of products and services required by the buyers, factors that are influencing decisions for cooperation, competitive sector information: production, exports, imports, advantages, supply chain, etc. The second stage of the process will include: selection of one target market, familiarizing Macedonian companies with the target market, and establishing contacts with potential buyers. Activity will be completed in November 2013 (Project Year 4) with the promotional match-making B2B event that will be organized with the objective of presenting the possibilities of the Macedonian apparel industry.

In order to increase the impact of export promotion activities and concentrate the funds and efforts for export promotion, the Project during Year 3 will work closely with Invest Macedonia and the private to define the list of trade fairs and B2B events that will be supported on an annual basis in the next two fiscal years. Preparatory activities for the trade fairs and B2B events that are scheduled for Year 4 of the Project will be initiated and implemented during Year 3. Depending on available Project funds and resources, as well external factors (Invest Macedonia priorities, commitment of the private sector, available matching funds from the other donors) additional export promotion activities could be initiated and supported during Year 3.

## **ACTIVITY 2 – Export Analysis Support**

Activities for further development of the market information function will continue during Year 3. The main objective of the market information function is to provide information to drive decisions on entering and maintaining export markets, information on how to enter a specific market, information on industry-specific market opportunities, and publications, checklists, and international trade analyses.

Within the market information service line, Invest Macedonia should provide three types of products: market entry reports, market intelligence reports, and specialized research.

Market entry reports, which are general reports for identified markets, include information on market potential, market access, and an assessment of transportation and distribution methods. Market intelligence reports are more specific market information, ranging from statistics to competitive analyses. Specialized research reports cover advanced topics and needs that cannot be addressed by Invest Macedonia or local counterpart capacity; these reports usually are completed by vendors.

The newly created web portal is powerful tool for information sharing on foreign markets, market entry criteria, distribution channels and consumer behavior. The Project will continue the process of creation of the information-rich environment using the web portal of Invest Macedonia as a tool. Information collected from the Euromonitor database and other relevant sources of information are valuable for companies and contributing to their export awareness.

Assistance to Invest Macedonia in implementation of the market information function will be to:

- train the Invest Macedonia staff in trade analysis methods and techniques,
- support Export Department in Invest Macedonia in defining the format and scope of the market reports as well in data gathering process;
- assist in creation of market reports for ten potential markets that will be published on the Invest Macedonia web portal.

Partners in implementation of this activity will be Invest Macedonia, business associations, chambers, other USAID projects, donors and Governmental agencies.

### **ACTIVITY 3 – Export Readiness Support**

As a country, Macedonia's economic development and prosperity is directly correlated with its ability to create competitive exportable products and higher value-added services. According to the State Statistical Office, only 3-5 % of the total number of officially registered companies is export-oriented. Given the size limitations of the domestic market, as well as the fact that the Macedonian economy is defined as a small and open economy, increasing the number of Macedonian export-oriented exporters is one of the top economic priorities.

In order to improve the export knowledge in the country during 2012, the Ministry of Economy with support from the Project has initiated implementation of a new export support measure - "We are Learning Export." In the first stage of the Activity "We are Learning Export" the training curricula for export was developed, training for 50 trainers nominated by the public institutions, chambers of commerce and BSPs was delivered, and a training manual for export was developed.

In the area of export readiness, the development of general export curricula established a solid base for export education of companies. Following this, export readiness activities will continue with two trainings of small and medium enterprises from several regions of the country, which will be organized together with the Agency for Entrepreneurship Promotion and Chambers of Commerce. It is expected that at least 50 companies will be trained in export promotion.

The Project will also work on the development of the first sector-oriented export curricula and vertical training that will include topics such as: assessment of the company/product export potential; market analysis; development of the market entry strategy; development of the export marketing plan; development of the distribution channels; international contracts; and after sale. Invest Macedonia will be involved in the activity and it will play an important role in training coordination. This will enable it to broaden its portfolio of export activities beyond traditional export promotion. Using the "train the trainer" concept, with the trainers nominated by the public sector, private sector associations and chambers, the Project will continue to establish a sustainable platform for spreading export knowledge.

## **ACTIVITY 4 - Export Education and Export Awareness**

With the objective of increasing public awareness of export promotion activities initiated and implemented by Invest Macedonia, and to increase the general awareness and knowledge of export, Invest Macedonia supported by the Project began in January 2013 to publish an electronic newsletter - Exporter. The newsletter Exporter is produced quarterly by Invest Macedonia, covering the export news and information about activities of Invest Macedonia, Ministry of Economy, other ministries and public institutions; information about private sector chambers and business; best practices from successful exporting companies; a section for donor-funded export activities; a section for export education and information on forthcoming international trade fairs. During Year 3 the Project will continue to support the publishing of the electronic newsletter - Exporter.

In the area of export education, the Component will organize one of three events for promotion of e-government solutions (KonkurentnostMK, Export Portal and ENER system) in three different cities in Macedonia. Development of these E-Gov solutions was supported by the Project. The export web portal was created to serve as information sharing point, but also as a tool for establishing virtual business leads and electronic matching of domestic exporters with potential clients abroad. During the promotional events, companies in Macedonia will be able to learn about the advantages of the new portal. From the perspective of Invest Macedonia, this activity will contribute in the creation of the consolidated database of current and potential exporters.

## **ACTIVITY 5 - Institutional Development of Invest Macedonia**

The objective of Institutional Development activities is to increase the understanding and knowledge of Invest Macedonia of the concept of efficient export and the capacities and skills needed for implementation of high-quality export services. Capacity-building efforts to establish an efficient export promotion function and efficient business processes will be focused in several ways:

- Train Invest Macedonia headquarter staff and economic promoters to use of the Customer Relation Management system;
- Organization of the Human and Institutional Development Event for Invest Macedonia in coordination with the Project's investment and aftercare component, with the objective of strengthening Invest Macedonia's staff capacity for team work, enhance their soft and project management skills and improve their knowledge of export promotion and aftercare;
- Support Invest Macedonia in strengthening the capacity of their staff to implement efficient and effective export services by organizing a study visit to a trade and investment promotion agency with an advanced export support system.

## **III. Expected Results**

The general objective of the component is development and implementation of a comprehensive export promotion strategy and trade policies to support exports. The final outcome from implementation of export promotion policies and activities should be increased exports, increased job creation and higher economic growth of the country.

In this regard, activities implemented in Year 3 could contribute to achieve the following results:

- Five export promotional events (trade fairs, B2B, trade missions) in the selected sectors implemented, developed PPD coordination mechanisms for efficient planning,



implementation and assessment of the export promotion activities, and improved efficiency and quality of the implemented export promotion activities;

- Developed market reports and capacities/systems for export market analysis to guide exporters' decision-making process on entering and maintaining export markets;
- Knowledge and skills for export improved, the first sectorial (vertical) curricula for export promotion developed and a sustainable platform for spreading the export knowledge established;
- Increased understanding and knowledge of the private sector of export
- Increased understanding and knowledge of Invest Macedonia on the concept of efficient export and the capacities and skills needed for implementation of high-quality export services.

The final outcome of the activities that will be implemented will be that within a four-year period, Invest Macedonia will be capable of providing professional export promotion assistance resulting in increased exports. Comprehensive export promotion policies and activities will be in place and will be in the implementation process. Increases in new DI, FDI, exports, and jobs are realized and tracked by the Ministry of Economy and Invest Macedonia. The number of exporters is increased, as well as the value of the products/services with higher value-added. The country brand Macedonia and the brands of Macedonian exporting products/services are more recognizable, in a positive way, to international customers.

Component A, Theme II–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports					
	Initiative	Objective	Timeline	Partners	Budget
<b>Activity 1 Export Promotion Support</b>					
I.	<p>Assist Invest Macedonia in implementation of the export promotion activities offered for the private sector:</p> <ul style="list-style-type: none"> <li>- Assist Invest Macedonia in the process of further development of business development function aiming to generate leads that could potentially result in a sale, via: trade fairs, trade missions and lead generation</li> <li>- Coach Invest Macedonia and private sector in implementation of the export promotion activities in order to increase the impact and generate better results (learning by doing).</li> <li>- Implement five export promotion events (trade fairs, B2B, trade missions) in the sectors identified in the National Export Promotion strategy</li> <li>- Develop an efficient PPD coordination mechanism for planning, implementation and assessment of the export promotion actives</li> </ul> <p><b>Agro sector</b></p> <ul style="list-style-type: none"> <li>- Presentation of the Macedonian agro producers on the International Trade Fair – Fruit Logistica, Germany;</li> <li>- Organization of the regional match-making event for the agro sector and organization of the virtual B2B;</li> <li>- Preparations for participation on the Anuga, Fair Germany</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>- Match-matching B2B IT Event Germany</li> </ul> <p><b>Apparel</b></p> <ul style="list-style-type: none"> <li>- Market Research for the prospective export markets in EU</li> </ul>	<p>Improve the efficiency and quality of the implemented export promotion activities.</p>	<p>Feb –Sep 2013</p>	<ul style="list-style-type: none"> <li>• Invest Macedonia,</li> <li>• Ministry of Economy,</li> <li>• AgBiz,</li> <li>• SIPPO</li> <li>• Private sector associations and Chambers</li> </ul>	<p>Total budget: \$15,000</p>
<b>Activity 2 Export Analysis Support</b>					

Component A, Theme II–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports					
	Initiative	Objective	Timeline	Partners	Budget
2.	<p>Assist Invest Macedonia in implementation of the market information function aiming to provide companies with information that will give guidance and help drive decisions on entering and maintaining export markets:</p> <ul style="list-style-type: none"> <li>- Train and coach Invest Macedonia in trade analysis methods and techniques</li> <li>- Support the Export Department of Invest Macedonia to consolidate all available market entry information from export promotion websites of regional countries that have the same target markets as Invest Macedonia.</li> <li>- Create market entry reports for the 10 targeted markets that will be published on the Invest Macedonia web portal</li> </ul>	Develop capacities/systems for export market analysis	Feb –Sep 2013	<ul style="list-style-type: none"> <li>• Invest Macedonia,</li> <li>• Ministry of economy,</li> <li>• Private sector associations and Chambers</li> </ul>	Total budget: \$3,000
<b>Activity 3 Export Readiness Support</b>					
3.	<p>Develop the export readiness programs :</p> <ul style="list-style-type: none"> <li>- Train the potential and export companies from the several regions in the country based on the methodology and curricula developed for general Export Education covering the topics of market analysis, business development, export marketing plan, export pricing, export offer, export contracts etc.;</li> <li>- Develop one sectorial (vertical) curricula for export promotion;</li> <li>- Establish the sustainable platform for spreading the export knowledge, through training of the public institutions and private sector associations and chambers.</li> </ul>	Improve the knowledge and skills for export	Feb –Sep 2013	<ul style="list-style-type: none"> <li>• Agency for Entrepreneurship Promotion,</li> <li>• Invest Macedonia,</li> <li>• Ministry of Economy,</li> <li>• Private sector business associations and Chambers</li> </ul>	Total budget: \$13,000

Component A, Theme II–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports					
	Initiative	Objective	Timeline	Partners	Budget
<b>Activity 4 Export Education and Export Awareness</b>					
4.	<b>Improvement of the private sector awareness for the export :</b> <ul style="list-style-type: none"> <li>- Support Invest Macedonia in publishing of the electronic newsletter Exporter, aiming to inform the companies about public and private sectors activities and best practices, as well as to educate the private sector about export</li> <li>- Support Invest Macedonia in creation of the consolidated database of the current and potential exporters</li> <li>- Organize one of the three events for promotion of the e-government solutions supported by the Project (KonkurentnostMK, Export Portal and ENER system) in three different cities in Macedonia.</li> </ul>	Increase the understanding and knowledge in the private sector for export	Feb – Sep 2013	<ul style="list-style-type: none"> <li>• Invest Macedonia,</li> <li>• Ministry of Economy,</li> <li>• Agency for Entrepreneurship Promotion,</li> <li>• Private sector associations and chambers,</li> <li>• USAID Projects,</li> <li>• Donors</li> </ul>	Total budget: \$4,500
<b>Activity 5 Institutional Development of Invest Macedonia</b>					
5.	Capacity building for efficient export: <ul style="list-style-type: none"> <li>- Train the Invest Macedonia Export Department staff for the methods and techniques for support of export ;</li> <li>- Support Invest Macedonia in strengthening the capacity of their staff for implementation of efficient and effective export services by organizing a study visit to a trade and investment promotion agency with advanced export support system;</li> <li>- In coordination with the Project investment and aftercare component, organize team building and educational events for the employees of Invest Macedonia to strengthen their capacity for team work, enhance their soft skills and improve their knowledge in export promotion and aftercare.</li> </ul>	Increase the understanding and knowledge of the Invest Macedonia on the concept of efficient export and the capacities and skills needed for implementation of high-quality export services.	Feb –Sep 2013	<ul style="list-style-type: none"> <li>• Invest Macedonia,</li> <li>• Private sector associations and chambers,</li> <li>• USAID projects,</li> <li>• Donors</li> </ul>	Total budget: \$18,000
<b>TOTAL BUDGET - \$53,500</b>					

## **IV. COMPONENT B–PUBLIC-PRIVATE DIALOGUE (PPD) ENHANCED**

### **I. Current Situation**

In the course of Year 2 of the Project, the general situation with PPD mechanisms and instruments in Macedonia showed significant improvement as a result of the achievements of the IDEAS Project. The momentum for enhancing PPD nationwide was recognized and used to realize the defined goals.

The commitment of the GoM and the public administration to build sustainable PPD with the business community and other stakeholders within society, identified at the beginning of FY2012, was present throughout the past year and convinced the business sector of the long-term orientation of the GoM to PPD, thereby providing the necessary platform for us to continue our efforts as coordinated with our stakeholders.

In that sense, GoM representatives remain collaborative in our activities to provide assistance to build capacities, both at the GoM as well as with their counterparts, in the PPD process. The position of the GoM, to build an institutionalized approach, defined by official mechanisms, that provides the best results in mutual coordination, has not changed and will be of key importance for our team in the coming year as well. The key institutional mechanism was consensually recognized by all stakeholders in the NECC and the national instrument for PPD will be the Regulatory Impact Assessment (RIA)/ENER process. This mechanism and the instrument are squarely in line with the goals of the Project, with a focus on export and investment.

#### **a. National Entrepreneurship and Competitiveness Council (NECC)**

Our efforts in FY2012 in cooperation with Macedonia's Deputy Prime Minister for Economic Affairs (DPMEA) cabinet, made it possible to have the new NECC model finalized and officially approved by the GoM. The complex process of coordinating the interests and priorities of all involved was successfully completed and today, the NECC is a fully functional, officially registered legal entity of 15 CoC's, business associations (BA) and academic institutions, working with its 9 committees and working groups on its fourth session and looking forward to face a number of challenges in FY2013.

The GoM has already involved the NECC in issues of priority and confirmed its presence by nominating the VPME, Mr. Pesevski personally to preside over the NECC sessions and the active involvement of his entire cabinet to the daily operations of NECC and its committees.

In the course of FY2013, the main priority shall be to provide operational and financial sustainability and legal round-up of the NECC. Its founding members will be assisted in defining the field of common interest they can work on together with a clear distinction to their regular work as BA and their autonomy.

The significant results achieved in bringing the NECC to this level, bring us to the process that will secure NECC's long-term sustainability, but also confront us with several challenges:

- The previously present skepticism among stakeholders, especially the CoCs about the success of yet another initiative to restore the NECC is partly still alive and must be overcome by achieving short-term results, based on political will of the GoM and our efforts.
- Stakeholders from all backgrounds are insufficiently educated and unaware of many aspects of PPD and the NECC initiative. This issue can only be solved by working on their intense education and sharing of positive experiences with comparable economies.
- As of a year ago, the CoCs and BA still have low mutual cooperation and coordination, which reduces their capacity to become a relevant partner of the government in the PPD process.

- The financial crisis has had the strongest impact on our economy in 2012 and the CoCs are adequately suffering the effect in their budgets, which could influence the level of their financial commitment in regard to membership fees and other contribution readiness.

After having anticipated these challenges, the Project accordingly focused its plan activities in three main fields: operational support, capacity building and education and awareness.

#### **b. RIA (Regulatory Impact Assessment)**

The results achieved in FY2012 strongly contributed to the favorable environment we have today. In coordination with other donor organizations, the Project was able to provide solutions to the requests of the Ministry of Information Society and Administration (MISA) as the institution in charge of RIA.

In that sense, the Project focused its efforts so that today the ENER is upgraded to provide more useful services to the private sector and enable them to become a relevant partner in the PPD process. After having organized a series of consultations with all relevant stakeholders and having collected their experiences and opinions from the use of RIA and the ENER mechanism, the Project coordinated the process of creating the technical specifications for an upgrade of the solution and identification of a specialized company to provide the successful realization of the improvement. This included strong commitment of all involved, many productive meetings and debates as well as regular contacts with different institutions working on specific issues.

The Project's assistance continued beyond the ENER upgrade; an educational multi-stakeholder workshop was also organized during which a review of the solution was performed and the positive and negative experiences and dilemmas of more than 30 professionals from the public, private and civil sector were shared and identified, resulting in 43 concrete findings and recommendations for further improvement of the ENER, but also of the RIA process in general.

Today, the stakeholders know and trust each other much more than a year ago and represent a network of enthusiastic professionals prepared to face future challenges and contribute to the process in collaboration with the IDEAS Project.

In continuous coordination with the GoM's needs, the Project will continue to build on the achievements described above, keeping in mind the main priorities: further improvement of the ENER instrument, assist the review of the RIA model based on experiences and identifying areas of possible improvement, and working on the CoCs and BA which remain weak links in the PPD process from the aspect of RIA. There are challenges ahead, as follows:

- There is still insufficient knowledge base among stakeholders and little awareness of the advantages offered by RIA and ENER or the methods to implement them.
- RIA, although mandatory, is not widely and consistently used in practice, mainly because GoM ministries fail to upload their plans for using RIA onto their websites and the ENER ([www.ener.gov.mk](http://www.ener.gov.mk)). However, this trend is improving on daily basis.

The measures undertaken by the GoM to put more pressure on the Ministries to practice RIA have been continuous and persistent, resulting in a notably higher commitment in FY2012. We will continue to support this trend as the only model providing sustainability.

#### **c. Chambers of Commerce (CoC)/Business associations (BA)**

All efforts planned and realized in the Project include the CoCs and BA as their target beneficiaries. The business community and its improved competitiveness and long-term sustainability are the most important stakeholder and have a key role in the process. However, they are facing serious challenges:

- CoCs and BA are not united, do not communicate effectively with each other and have difficulties in defining a joint strategy and/or concrete requests from other stakeholders, thus limiting their capability to become a relevant counterpart in the process.

- Despite the efforts made in Y2, there is still area to improve knowledge among CoCs and BA to define and issue economic policy documents as a key condition for successful dialogue with the public sector. Much was achieved in Y2 with the CoCs, and we will continue to build on our achievements;
- The Project improved the CoCs' capacities by working with them to develop a solution they accepted, to establish stable, structured, and officially recognized teams of employees in charge of policy papers and RIA. This represents a significant base for further building well-educated teams, as adequate counterparts to the GoM, on behalf of the private sector. These teams will review and profile all proposals and issues to be resolved in the future and will be the teams in constant coordination with the GoM, building a lasting long-term partnership with the GoM and other stakeholders.
- The Project assisted the CoC teams in defining four policy papers and will continue with these efforts in Y3, by using the NECC as a joint platform for the CoCs and BA. The ability to present and advocate the business community interests is of utmost importance and will remain our focus in the year to come.

## **II. Planned Activities**

In Y3, the Project will continue to establish procedures, initiate meetings, track the progress of issues, help participants achieve resolution and expand the use of e-applications for communications.

The Project will provide training and mentoring on various advocacy approaches for national instruments for PPD, BA and CoCs on diverse approaches, such as sharing best practices, research, policy papers, conferences, public debates, and other venues.

In accordance with the already-realized activities from Y2, the Project will perform all of these activities by providing mentoring and capacity-building for private sector, government and civil society partners to ensure their sustainability beyond the project's end.

### **ACTIVITY I – SUPPORT TO THE NECC**

As previously elaborated, in Y3 the Project will build on the achievements from last year, providing three pillars of assistance to the NECC:

#### **1. Assistance to the NECC in operational issues**

At the request of the GoM and the business community, the Project will support the NECC's executive office performance to reach a high sustainability level by year's end. This set of efforts includes: Establishing and functioning of the executive office; Logistical support with project resources: staff, facilities, equipment; Coordinating the working committees; Preparing the Books of rules of the committees, procedures and defining the goals and action plans; Preparing the action plan of NECC and its committees for 2013; Drafting the budgeting and financing system of NECC, rules of conduct, reporting and monitoring system; Support the preparation and printing of handbooks and brochures; Realization of a logo, WEB-site and other activities according to the operational plan.

#### **2. Strengthening capacities of the NECC's members and support staff**

The Project will strengthen capacities of NECC members and support staff to increase knowledge, best practices, advocacy and ability to create policy papers: The committees will identify priorities for policy solution and two issues will be selected for policy paper creation. An expert will work with the committee on the policy paper to be presented to the NECC when final. In the process, staff from the CoC's and BA will work on the document and learn from the expert. Members of the committees will also be included and consulted.

### **3. Education assistance**

The Project will organize seminars, workshops, round-tables in coordination and with involvement of NECC members and support staff. The Project will include NECC staff at conferences and events where adequate. We will also organize a seminar for committee chairpersons, deputies and staff from the CoC's and BA on creating policy paper analysis and policy proposals.

## **ACTIVITY 2 – SUPPORT TO THE IMPLEMENTATION OF REGULATORY IMPACT ASSESSMENT (RIA)**

Since public awareness on RIA has been improved and the formal and personal commitment of all stakeholders is higher than ever before, the Project will continue its efforts, initiating from the position that the main challenge to the successful implementation and presence of the RIA is to remain focused on its wider support and acceptance on different levels. This goal sets the existence of improved instruments and educated process participants as a prerequisite for success.

### **4. Assistance to MISA to improve the existing RIA system and the ENER mechanism:**

This activity is a process consisting of several consequent steps. For that purpose, we will provide a local expert to analyze the current ENER solution and the RIA model adequacy and define recommendations for improvement. In addition, we will organize a workshop for 30-35 public administration representatives in charge of RIA/ENER to identify priorities for further improvement with the expert, to be followed by another event organized by our team: a multi-stakeholder workshop for 30-35 public, business and civil sector RIA professionals to analyze the recommendations of the expert and identify final priorities for further improvement. After having identified all details, we will perform a selection process for a local IT company to perform the ENER upgrade and initiate the upgrade process in Y3, to be finalized in Y4.

### **5. Improve public awareness**

The Project will improve public awareness about the ENER in the business and civil community by organizing a promotional road-show in three Macedonian regional centers to promote the improved ENER portal and support media presence and promotion of ENER on different relevant events addressing diversified audience and interest groups. In addition, the Project will organize a seminar for public administration, jointly with CoC and business association staff on the legislative drafting process and their role with RIA/ENER and participation in improving export and investment legislation.

### **6. Capacity building for MISA professionals**

This field of assistance is very important because of the specific role the MISA professionals have in the process and the establishing of stable GoM teams working on RIA/ENER, avoiding the high frequency of staff and thereby receiving the maximum effect from the activities realized. Therefore, the Project will support the participation of relevant MISA professionals on seminars, workshops, round-tables and conferences and also, support to the promotion of the RIA and ENER model abroad and provide RIA professionals an opportunity to share their experience with other countries and models on relevant events.

The Project will use the RIA and ENER as tools for the PPD for issues related to other IDEAS Project components. PPD is strongly connected to export promotion and industrial policy, and significant data can be retrieved through these instruments. This will make a visible contribution to the success of the two components and provide cross-cutting support among the initiatives themselves.



### **ACTIVITY 3 – STRENGTHENING CAPACITIES OF COC/BU TO ENGAGE IN PPD**

Building on our achievement in Y2, the Project must support the CoCs and BA to work with the business community associations to improve their business models and build appropriate capacities for policy paper creation and market analysis as coordinating departments with the GoM and the broader community, to become an active partner of the GoM in formulating economic policies and to have the majority of the business community recommendations be implemented by GoM.

#### **7. Capacity building to COC/BA to engage in PPD**

Aiming to assist the building of BA professionals in different skills in the manner most adequate for our counterparts, we will assess the capacity enhancement needs of the key Project counterparts' representatives and provide specific trainings to improve their performances. Based on these findings, we will organize a seminar for CoC and business association staff on policy paper creation, to be followed by a seminar for CoC and business association staff on the legislative drafting process and their role with an accent on RIA/ENER and their participation in improving legislation. The Project will also organize seminars for CoC and business association staff on priority issues, such as: Project management, Presentation skills, Marketing etc. In the field of further capacity building for CoC and business association professionals, IDEAS will support the participation on relevant seminars, workshops, round-tables and conferences.

#### **8. Support to the promotion of policy documents and relevant analysis of COC/BA**

The Project will assist the organization of public debates and consultation sessions on documents prepared by the CoCs and BA in order to support the ability of the CoCs and BA to advocate their member's interests more efficiently.

#### **9. Provide the staff of COC/BU with export/investment experience**

In order for the CoC and BA staff to become experienced professionals, the Project will support the participation of CoC and BA staff to selected B2B events, fairs, investor aftercare trainings and other thematic business events.

#### **10. Transferring knowledge**

The Project will provide the CoC and BA staff with a new and market-oriented service, capable to continue to perform on commercial basis "We are Learning Export" and train the future trainers belonging to the regular staff of the CoC and BA.

### **III. Expected Results**

The intent of the proposed activities is to continue building the capacities and the necessary infrastructure for PPD in Macedonia. The expected results for proposed Activities 1–3 are as described below.

#### **Activity 1–Support to the NECC**

- NECC's executive office is established. The legal frame is completed and the action plan is realized with the adequate dynamic.
- Training for NECC members on PPD, RIA, best practices, and advocacy is organized.
- NECC members, staff and the DPMEA cabinet have the capacity to secure a sustainable NECC, able to issue relevant policy papers and advocate them properly
- Raised public awareness and understanding about the positive aspects and significance of public-private dialogue, the role of NECC and its promotion as a highest level PPD instrument.

**Activity 2–Support to the implementation of RIA**

- Reach a widespread acceptance and use of the RIA and ENER system by private sector and civil organizations.
- Analysis of the RIA model and ENER solution is performed and recommendations for further improvement with an inclusive approach are issued and presented.
- Training sessions with the CoCs and other associations on their roles in the regulation process and joint training programs with the public and private sectors on the RIA mechanism and the benefits of the ENER system are realized.
- An assessment of the needs and circumstances with adequate recommendations for a future software solution for RIA on the national level is prepared.

**Activity 3–Supporting the Chambers of commerce/Business associations**

- A set of diversified skill trainings for the BA is realized in accordance with the assessment of the capacity enhancement needs of the key Project counterparts' representatives resulting in specific trainings to improve their performances.
- BA are educated to issue relevant policy paper proposals to the Government and have the capacity to be an adequate dialogue partner.
- Policy paper discussions with GoM at NECC, round tables, debates and other forums are initiated.
- Twinning partnerships with local experts are initiated.

Component B: Public-Private Dialogue (PPD) Enhanced					
Establishing sustainable and equitable public-private dialogue mechanisms					
	Initiative	Objective	Timeline	Partners	Budget
<b>Activity 1–Support to the NECC</b>					
1.	<p>Assistance to the NECC and its executive office (support staff) in operational issues:</p> <ul style="list-style-type: none"> <li>Establishing and functioning of the executive office;</li> <li>Logistical support with project resources: staff, facilities, equipment</li> <li>Coordination of working committees</li> <li>Preparing legal acts, committees books of rules, defining the targets and action plans</li> <li>Issue the 2013 NECC and committees action plan</li> <li>Defining a system for budgeting and financing of NECC, a Code of conduct, a system of monitoring and reporting</li> <li>Support preparation and print of handbooks and brochures</li> <li>Realization of a logo, WEB-site and other activities according to the operational plan</li> </ul>	Executive office is established. The legal frame is completed and the action plan is realized with the adequate dynamic.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>DPMEA</li> <li>NECC</li> <li>Business community</li> </ul>	Total budget: \$6,000
2.	<p>Capacity building</p> <ul style="list-style-type: none"> <li>Build capacities of NECC members, executive office and the DPMEA cabinet by participating different educational sessions and knowledge exchange, best practice forums, policy- and strategy-paper creation and advocacy seminars and other issues of interest to the business community.</li> <li>Prepare policy-papers as a training process for professionals from BA and NECC staff:</li> </ul>	NECC members, staff and the DPMEA cabinet are able to secure a sustainable NECC and capable to issue relevant policy papers and advocate them properly	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>DPMEA</li> <li>NECC</li> <li>Business community</li> </ul>	Total budget: \$10,000
3.	<p>Promotional activities</p> <ul style="list-style-type: none"> <li>Support to public awareness activities on the need of PPD and NECC's role by participating seminars, workshops, round tables and conferences with inclusion of the membership and project executive office staff.</li> <li>Organize one of the three events for promotion of the e-government solutions supported by the Project (KonkurentnostMK, Export Portal and ENER system) in three different cities in Macedonia.</li> </ul>	Raised public awareness about positive aspects of PPD, the role of NECC and promotion as a highest level PPD forum.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>DPMEA</li> <li>NECC</li> <li>Ministry of Information Society and Administration</li> <li>Business community</li> </ul>	Total budget: \$3,500
<b>Activity 2 – Support to the implementation of Regulatory Impact Assessment RIA</b>					

Component B: Public-Private Dialogue (PPD) Enhanced					
Establishing sustainable and equitable public-private dialogue mechanisms					
	Initiative	Objective	Timeline	Partners	Budget
4.	<p>Assistance to MISA to improve the existing RIA system and the ENER mechanism:</p> <ul style="list-style-type: none"> <li>• Provide a local expert to analyze the current ENER solution and the RIA model adequacy and define recommendations for improvement;</li> <li>• Organize a workshop for 30-35 public administration representatives in charge of RIA/ENER to identify priorities for further improvement;</li> <li>• Organize a multi-stakeholder workshop for 30-35 public, business and civil sector RIA professionals to analyze the recommendations of the expert and identify final priorities for further improvement;</li> <li>• Perform a selection process for a local IT company to perform the ENER upgrade and initiate the upgrade process in Y3, to be finalized in Y4.</li> </ul>	Based on performed activities with different stakeholders the expert issues a document identifying need of improvement. The multi-stakeholder forum finalizes a detailed to-do-list for the upgrade to be initiated in Y3 and completed in Y4.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• Ministry of Information Society and Administration</li> <li>• Business community</li> <li>• Civil society</li> </ul>	Total budget: \$8,000
5.	<p>Improve public awareness about the ENER in the business and civil community:</p> <ul style="list-style-type: none"> <li>• Organize a promotional road-show in three Macedonian regional centers to promote the improved ENER portal</li> <li>• Support media presence and promotion of ENER on different relevant events addressing diversified audience</li> <li>• Promote RIA and the ENER portal in a business magazine by publishing an article and preparing and distributing 1,500 copies of the promotional brochure</li> </ul>	ENER is well known to the broader public and is being used by a larger number of businesses and NGO's.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• Ministry of Information Society and Administration</li> <li>• Business community</li> <li>• Civil society</li> </ul>	Total budget: \$2,000
6.	<p>Capacity building for MISA:</p> <p>Organize a public administration seminar with CoC and business association staff on the legislative drafting process and their role with an accent on RIA/ENER and their participation in improving legislation on export and investment.</p> <p>The project will initiate knowledge and experience exchange as well as a presentation of the Macedonian RIA model to other countries and/or trainings for professionals from MISA and the project staff.</p>	Public administration is ready to contribute to an improved RIA process on export and investment and updated with the new trends abroad.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• Ministry of Information Society and Administration</li> <li>• Business community</li> <li>• Civil society</li> </ul>	Total budget: \$3,000

<b>Component B: Public-Private Dialogue (PPD) Enhanced</b>					
<b>Establishing sustainable and equitable public-private dialogue mechanisms</b>					
	<b>Initiative</b>	<b>Objective</b>	<b>Timeline</b>	<b>Partners</b>	<b>Budget</b>
<b>Activity 3–Strengthening capacities of CoCs and Business associations (BA) to engage in PPD</b>					
7.	Assess the capacity enhancement needs of the key Project counterparts' representatives and provide specific trainings to improve their performances, including: <ul style="list-style-type: none"> <li>• Seminar for CoC and BA staff on policy paper creation,</li> <li>• Seminar for CoC and BA staff on the legislative drafting process and their role with an accent on RIA/ENER.</li> <li>• Seminars for CoC and BA staff on priority issues, such as: Project management, Presentation skills, Marketing etc.</li> </ul> Additional capacity building for CoC and BA professionals, IDEAS will support the participation on relevant seminars, workshops, round-tables and conferences	CoC and BA staff is educated and capable to contribute to an improved PPD.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• CoC/NECC</li> <li>• BA</li> </ul>	Total budget: \$13,500
10.	In order for the CoC and BA staff to become experienced professionals, we will support their participation on B2B events, fairs, investor aftercare trainings and other thematic business events in export and investment.	CoCs/BA have experienced and skillful staff on export and investment issues.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• CoC/NECC</li> <li>• BA</li> </ul>	Total budget: \$1,500
11.	Promotion of the issued policy papers in the public through the support in organizing public debates with all society stakeholders.	Supported CoCs improve policy papers and learn from the process how to best include the interest of the society in their work.	Feb 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• CoC/NECC</li> <li>• BA</li> </ul>	Total budget: \$1,000
12.	We will provide the CoC and BA staff with a new and market-oriented service, capable to continue to perform on commercial basis “We are Learning Export” and train the future trainers belonging to the regular staff of the CoC and BA	The CoCs and EOM have stable, regulated teams for policy creation with adequate positions within the structure of the CoC.	Jun 2013 – Sep 2013	<ul style="list-style-type: none"> <li>• CoC/NECC</li> <li>• BA</li> </ul>	Total budget: \$1,500
<b>TOTAL BUDGET - \$50,000</b>					

## V. PUBLIC RELATIONS (PR) AND INFORMATION

### I. Current Situation

During Year 2 of its operation, the IDEAS Project, under Public Relations, completed the following activities:

- Provided coordinated, timely, and effective communication with our key audiences, leading to a better understanding, coordination, and appreciation of the role of IDEAS as USAID funded Project.
- Increased the awareness of Macedonian media representatives – editors in chief and journalists- on the Project activities, as well promoted the project's areas of work – public private dialogue, industrial policy implementation and export promotion among relevant economic journalists and general public as whole.
- Established formal cooperation with the economic media outlet “Kapital” and published eight articles, providing professional, relevant and up-to-date information to journalists, related to Project component activities.
- Launched and publicly promoted three web portals that made information more accessible to the private sector.
- Prepared and released eleven Media Advisories/Press Releases and gained vast media coverage in national (public and private media), with nearly 100 positive articles published.
- Identified, prepared and released 4 success stories. All of them were developed in conjunction with Project partners; and were shared with USAID/COR and DOC and posted on the website.

### II. Planned Activities

The activities under Public Relations/Communication/Public Education for year 3 are organized in two groups. The first group (as presented in the table below) is for budget-related activities and the second is for activities which Communication Manager performs on regular, daily basis.

#### **Activity I - Develop and publish articles in business outlet Kapital, focusing on relevant business issues, delivering specific messages about improving the overall business environment**

During Year 3, the IDEAS Project will continue to work with prominent media outlet Kapital to stimulate public dialogue and generate further action on important development issues, beyond the life of the Project.

The Project in cooperation with Kapital is planning to prepare up to five articles, developed through active research and business journalism, featuring Project's counterpart institution representatives.

The purpose of this activity is to:

- Build the capacity of the public and private sector representatives to participate in dialogue that will be observable to the general public and relevant organizations, through spreading clear and targeted messages; and
- Enable communication of a shared vision and understanding through the development of a common language for building trust among stakeholders.

#### **Activity II- In-country participation on relevant and specific events by counterparts' representatives and Project staff**

In Year 3, the Project staff, along with representatives of the Project partner institutions and organizations, will continue to identify relevant and specific events in the country and participate in them, in order to gain insights, share experiences and learn about specific strategies or and actions relevant to Project activities and future plans.

### **Activity III - Organize “off the record” networking event for journalists, and core representatives of the Project counterpart institutions and their Public Relation departments**

In Year 3, the Project is planning to organize an innovative networking event for journalists working in media, representatives of Partner institutions, their Public Relations departments and Project staff. The event will be called “Off the Record” and it will be a get-together and networking event with the representatives of the stakeholders and media. The goal of this activity is to:

- Develop mutually beneficial relationships between Project stakeholders and media and
- Report accurately and provide an unbiased perspective by media on issues raised by the private sector and the government’s response.

The Project staff aims to sustain relations with media in order to provide accurate and on time information thus enabling news worth publishing. Therefore, the need to improve communication channels between public institutions, private sector and media was identified in order to establish trust and mutual cooperation in the first place, and then assure mutual smooth flow of information between the involved parties.

### **Activity IV- Developing and disseminating brochure for promotion of ENER web portal**

The Project in Year 3 is planning to develop a brochure to promote widely the new, upgraded ENER web portal to publicize its role in the RIA and PPD processes. The brochure will contain basic information on [www.ener.gov.mk](http://www.ener.gov.mk).

The brochure will be distributed through the most prominent Macedonian economic magazine Kapital, and on events for promotion of the e-government solutions supported by the Project (KonkurentnostMK, Export Portal and ENER system) in three different cities in Macedonia.

PR / Communication / Public Education					
	Initiative	Objective	Timeline	Partners	Budget
1.	Through practicing research and business journalism, develop and publish up to five articles in business outlet Kapital, focusing on relevant business issues, delivering specific messages about improving overall business environment, through featuring Project's counterpart institution representatives.	Assist the media to continue stimulating public dialogue and generating further action on important development issues, beyond the life of the Project.	Feb –Sep 13	Kapital	Total budget: \$13,200 (co-shared with Kapital) Project budget- \$11,000
2.	In-country participation on relevant and specific events by counterparts' representatives and Project staff.	Gain insights, share experiences and learn about specific strategies or and actions relevant to Project activities and future plans.	Feb-Sep 13		Total budget: \$ 10,000
3.	Organize "off the record" networking event for journalists, and core representatives of the Project counterpart institutions and their Public Relation departments.	Report accurately and provide an unbiased perspective by media on issues raised by the private sector and the government's response.	Aug- Sep 13		Total Budget: \$ 1,500
4.	Developing and disseminating brochure for promotion of ENER web portal (Designing the layout; print 5,000 copies, A4 4/4 135 gr. Paper) and disseminating 1,500 copies through Kapital	Widely promote the new web portal in order serve the purpose it was given in the RIA process of consultations of the public in the PPD process.	Feb-April 13		Total budget: \$ 1,500
<b>TOTAL BUDGET-24,000</b>					

### **Identify, develop and disseminate specific and targeted market information in InStore Macedonia**

In Year 2, the Project cooperated with InStore Macedonia, such as publishing export promotion portal market information, participation in a media roundtable event and releasing media alerts related to the high-level web portal promotional event. The magazine is part of the regional (former Yugoslavia) "InStore" monthly trade magazine for consumer goods. "InStore Macedonia" distribution is more than 4,000 subscribers, from which 95% are companies, and the rest are Chambers of Commerce, banks, and academia. It covers the whole industry from organized and traditional commerce, through manufacturers, distributors and logistics to other related activities.

Regionally, the Magazine is distributed free of charge by mail to over 40,000 addresses of independent dealers, retailers, wholesalers, manufacturers, specialty shops, as well as ministries, agencies and academic institutions in Serbia, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Kosovo and Macedonia.

In order to capitalize on this extensive distribution network, the Project will continue to cooperate on regular basis with InStore Macedonia in order to enhance regional media relations through developing disseminating professional, relevant and up-to-date information related to Project-funded activities.

### **Develop, and Release Project Success Stories**

The Communications Manager will identify and develop a multiple success stories about a concrete and tangible Project results, accompanied by colorful images, which will be disseminated through all



project communications channels, such as press releases, media alerts, website, and others. This will ensure a steady and effective flow of positive news to the media, and can be redirected for use in presentations and reports. A new focus will be to present these success stories through the medium of video.

### **Develop and Release Media Advisories and/or Press Releases**

In cooperation with component leaders, the IDEAS Project will identify specific project activities that should receive priority for PR activities. Following this process, the Communications Manager will prepare, obtain clearance, and disseminate media advisories and/or press releases to the project media distribution list, post them on the website, and post them on the USAID Mission website.

### **Track Published Articles in Media and Develop Quarterly Press Clippings for the DOC Office**

After releasing media advisories and/or press releases, project interns will be responsible for tracking published articles in the media, developing press clippings, and translating them into English. The press clippings will be shared with the COR and with the Development Outreach and Communications (DOC) personnel. Press clippings also will be posted on the project website under “IDEAS in the Media.”

### **Provide Regular Updates to the IDEAS Website**

The Communications Manager will continue to develop customized web-based information and keep the Project website updated, paying special attention to the quality of the visual content.

### **Develop IDEAS Conference and Training Calendar**

The Communications Manager will continue to prepare this calendar in cooperation with component leaders and will provide monthly input on this calendar. Subsequently, all events shown on the calendar will be posted on the IDEAS Project website.

### **Information Sharing with Similar Regional Projects**

To expand regional recognition of the IDEAS Project and to broaden the audience, the Communications Manager will share success stories and all communication tools with the Regional Competitiveness Initiative (RCI). The RCI’s quarterly newsletter could be an excellent vehicle for raising awareness of the IDEAS Project’s goals and achievements and at the same time enable information sharing among USAID projects in the region.

## **III. Expected Results**

By successfully implementing the planned activities, the IDEAS Project expects to achieve the following under Public Relations/Communication/Public Education:

- Encourage and facilitate opportunities for stakeholders to voice their opinions and ideas about current important development issues in the country, and to become more actively involved in addressing them
- Improve transparency to private sector requests and government responses
- Engage effectively with stakeholders and provide a regular flow of information to key stakeholders
- Maintain positive cooperation with media and regularly showcase Project successes and
- Increase visibility of the Project funded activities to general public in Macedonia.

## **VI. INTERNSHIP**

The USAID IDEAS Project Internship Program provides undergraduates or recent graduates with an opportunity to participate in the Project, enabling them to strengthen their skills in various areas, to learn from Project staff, and to get a feel for work in an international environment. This is a unique opportunity for them to work and communicate with other international, governmental, and private institutions and organizations and with international and local experts engaged by the Project.

The Project, based on the two-year positive experience in this area, plans to continue engaging interns on the Project during Year 3. There also is a possibility that the Project might hire these interns to work in the IDEAS Project's counterpart institutions. The technical personnel within the Project act as mentors and helps interns advance their goals with knowledge earned through experience.

Project staff also will benefit from the Internship Program because interns will help the office implement project activities and help the organization to accomplish its goals.

Interns will be involved in day-to-day activities, attend meetings, be on top of new developments through trade websites and journals, participate in internal and external communications activities, filing, provides administrative support and assist in event management. They also will work with other Project team members to develop, produce, and disseminate materials and information, to develop presentations and lectures, to translate c legislation and regulations, monitor media and compile articles related to the IDEAS Project into Press clippings.

It is expected that the Internship Program will enable the interns to gain experience and develop contacts in both the public and private sectors, which ultimately will enhance their soft skills and make them more competitive in the labor market when they begin their search for employment.

The projected budget for the Internship Program in Year 3 is approximately \$5,000.

## VII. PROFESSIONAL DEVELOPMENT

One of the goals of USAID is to develop local professional capacity and empower the local experts to provide technical assistance beyond the life of the projects and the Mission itself. USAID is continuously working on building their capacity making them capable of providing similar services and expertise to the private and the public sector.

The IDEAS Project staff, as described in the component narratives, will engage in organization and provision of capacity building activities for the stakeholders at the staff and at the institution levels. Having in mind the importance and benefits from the continuous education in this area, the project is planning to pursue with professional development of its staff. These activities including obtaining certification degree, courses, seminars, trainings, and other, will be carefully selected in close coordination with USAID upon the approval of the Work Plan. A separate Scope of Work will be developed to describe the details for this purpose. The estimated amount of funds would be approximately \$35,000.

## VIII. PERFORMANCE MONITORING PLAN (PMP)

The following section describes the main objectives and activities for project monitoring and evaluation (M&E).

**The FY 13 M&E objectives are as follows:**

- Ensure proper implementation of the data collection methodology, including data quality assessments and reporting on accomplishments through established methods
- Maintain the internal MS Excel spreadsheets to support archiving and reporting of performance data
- Consolidate and distribute on-time standardized information on the performance of targeted indicators.

**The FY 13 M&E-related activities are as follows:**

- Review the recommendations given in the IDEAS Mid-Term Performance Evaluation related to expanding the project's M&E efforts and act accordingly
- If needed, revise the Performance Monitoring Plan (PMP) for Year 3 and obtain approval from USAID
- Coordinate data collection and monitor the achievements of Project operations
- Analyze performance information to track progress toward planned results
- Manage monthly / quarterly and annual report development
- Develop Communication related special project result reports
- Provide assistance to Support Staff in developing special project result reports after completion of each Special Project
- Maintain a filing system to facilitate managing and documenting performance data
- Communicating results achieved in order to tell the success story

## PERFORMANCE MONITORING PLAN (PMP)

### USAID's Macedonia Investment Development and Export Advancement Support

#### Performance Monitoring Plan

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 Jan–30 Sep		1 Oct–30 Dec		1 Jan–30 Sep		1 Oct–30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
Intermediate Result 3.1: Improved Business Environment in Critical Areas												
Sub IR 3.1.1: Strengthened Government Capacity to Implement Economic Policies & Programs												
Indicators under 1.1; 2.1; 2.2;												
IDEAS Project Result: Improved Foreign Direct Investment (FDI) and Domestic Investments (DI)												
1.1.	Number of new competitiveness policies, programs, action plans related to industrial policy being implemented	Being implemented means that decisions from the Competitiveness Committee of Ministers include the private sector comments and are being put into practice by the implementing agencies at the national and/or local level.	Internal Project reports/Annually	0	3	0	8	7*	16		24	
IDEAS Project Result: Improved Export Facilitation and Investment Aftercare												
2.1.	Volume of exports from targeted sectors facilitated by Invest Macedonia through USG assistance (in \$)	The value of exports in a given year in targeted sectors, facilitated by Invest Macedonia.	State Statistical Office/Annually	576.945.581	By 5%	0	By 15%	614.417.634**	798.742.924			
2.2.	Number of new policies, measures, and sub-legislation that facilitate export are adopted	Policies, measures, and sub- legislations are defined as any reform programs that affect the legislative and/or policy framework. The entity that is expected to adopt them is Invest Macedonia.	Project reports, Implementing partners/Annually	0	1	1	3	4***	5			

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 Jan–30 Sep		1 Oct–30 Dec		1 Jan–30 Sep		1 Oct–30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
IDEAS Project Result: Improved Public Procurement Legal Framework												
3.1.	Number of new policies and/or regulations submitted to GoM for review and adoption as a result of USG assistance	Number of new policies and/or regulations related to public procurement submitted to GoM for review and adoption, in cooperation with Public Procurement Bureau (PPB).	Implementing partners/Annually	0	1	1	2	9****	0		0	
Intermediate Result 3.1: Improved Business Environment in Critical Areas Sub IR 3.1.2: Public-Private Dialogue Improved Indicators under: 4.1 and 4.2.												
IDEAS Project Result: Enhanced Public-Private Dialogue												
4.1. (PPR)	Percentage of issues resolved as a result of dialogue efforts supported by USG assistance	The number of new issues resolved by the GoM, against the number of issues raised before the government by the private sector organizations, firms, and individuals using acceptable advocacy approaches such as policy papers, public debates, conferences, and others.	Project reports, Implementing partners/Annually	0	50%	0	54%	52% 35/67*****	59% 50/84		63%	
4.2.	Number of new public-private dialogue mechanisms institutionalized by GoM as a result of USG assistance	Dialogue mechanisms and means used by entities and the regulations used by private sector organizations (firms and individuals) to raise issues with the government that the GoM turns into permanent channels of private sector input into policy making.	Project reports, Implementing partners/Annually	0	0	-	1	1 National Entrepreneurship and Competitiveness Council (NECC)	2		3	
IDEAS Project Result: Enhanced Government Capacity to implement new Policies												

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 Jan–30 Sep		1 Oct–30 Dec		1 Jan–30 Sep		1 Oct–30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
6.1.	Number of people trained as a result of USG assistance (disaggregated by gender and areas)	Trained is defined as acquired skills to be able to independently support the implementation of the policies, disaggregated by gender and areas. Areas are: industrial policy; export promotion; public procurement; public-private dialogue.	Project reports, Implementing partners/Annually	0	155	77 Female–39 Male–38  IP–47 EP–30	202	995 (cumulative)  Female- 494 ; Male – 501  IP-112 (F-66;M-46) EP-300 (F-122;M-178) PP-420 (F-230;M-190) PPD-163 (F-76;M-87)	1240		1485	

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 Jan–30 Sep		1 Oct–30 Dec		1 Jan–30 Sep		1 Oct–30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.6.1-17 (PPR)	Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders	The provision of goods or services to developing countries and other USAID recipients in direct support of a development objective-as opposed to the internal management of the foreign assistance program. Services could include the transfer of knowledge and/or expertise by way of staff, skills training, research work and financing to support quality of program implementation and impact, support administration, management, representation, publicity, policy development and capacity building. Technical assistance includes both human and institutional resources. Technical assistance does not include financial assistance. Business enabling environment is defined as improving policies, laws, regulations, and administrative practices affecting the private sector.	Implementing partners/Annually	1218	N/A	1218	1585	1610	1633		1568	

**Notes:**

\* **Indicator under 1.1.** List of competitiveness initiatives that have been adopted and implemented by GoM in industrial policy-related areas in the course of 2012. All documents have been reviewed and approved by the Competitiveness Committee of Ministers.

1. Action Plan for Industrial Policy Implementation for 2012 – 2013. Adopted by GoM on August 21, 2012 (Action Plans are not published in Official Gazette).
2. Program for Industrial Policy Implementation 2012 (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
3. Program for Support and Development of Clusters (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
4. Program for Development of Entrepreneurship, Competitiveness and Innovation of SMEs (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
5. Program for Support of Entrepreneurship, Competitiveness and Innovation of SMEs (Official Gazette 12/2012). Implementing institution: Agency for Promotion of Entrepreneurship.
6. Program for Scientific Research and Technology Development (Official Gazette 8/2012). Implementing institution: Ministry of Education and Science.
7. Web portal [www.konkurentnost.mk](http://www.konkurentnost.mk) (Competitiveness.mk) – is hosted by the Ministry of Economy, and the portal is giving the business sector access to information on all available government support related to implementation of the Industrial Policy.



**\*\* Indicator under 2.1.** The source of information for this indicator is State Statistical Office (SSO), annually. Having in mind that calendar and the fiscal year in Macedonia are from January until December relevant statistical information for the annual export per sector are published in March-April the following year, therefore more accurate information could be provided in April 2013, when the percentage of change in the export could be calculated with the annual export data for whole 2012. When the baseline for this indicator was identified, the Project took the total export for calendar year 2011 (USD 960.845.885), since the targeted sectors that the Project will support were not yet determined. Having in mind that the Project by end of 2012, obtained the data (from SSO) for calendar 2011, the Project calculated the baseline for volume of exports from targeted sectors, which was \$ 576.945.581, 24 USD. And is worth to be noted that the SSO has own methodology of tracking volume of exports, and that is not by sectors as the Project defines them.

For calculating the actual volume of export for the three targeted sectors (\$ 614.417.633,79) for FY'12, were taken the available SSO export information for the period of eight months (January until August,2012). The projected target for the FY'13 is \$ 798.742.923,92 USD (or up to 30%).

**\*\*\* Indicator under 2.2.** List of new adopted policies, measures, and sub-legislation that facilitate export are:

1. Strategic Framework for InvestMacedonia
2. Export Web Portal- The development of the IT solution for export promotion portal of Invest Macedonia. The web platform will include the company profiles of current and potential exporters, as well as the market information for the specific sectors.
3. Learning exports- Government of Macedonia initiated a new export support measure— “We are Learning Export”—with two main objectives: (1) provide individual assistance to companies for increasing their exports and (2) increase the general export awareness through publications and seminars.
4. Market information -the Project has supported the access for Invest Macedonia to the Euromonitor database. This will enable to develop sample reports in a selected number of industries to serve as a template for market entry reports.

The Export Web Portal, Learning export and Market Information are measures identified under the Strategic Framework for Invest Macedonia. The Project in cooperation with other donors is assisting Invest Macedonia to implement these measures.

**\*\*\*\* indicator under 3.1.** List of new policies and/or regulations submitted to GoM for review and adoption as a result of USG assistance. The source of this information is Center for Solutions and Reforms REFORMIKO, which has been subcontracted to implement activities in the Public Procurement (PP).

1. Catalogue of Competencies for the Public Procurement Officers
2. Action Plan for further development of the e-Procurement system 2011-2012
3. Model contract for procurement of software application development
4. Amendments to the Law on Public Procurements
5. Rulebook on Training Program, Manner of Implementation of the Training, Fees, as well as the Form and Content of the Certificate
6. Instruction on organization and implementation of the public procurement trainings
7. Trainers' Guidelines
8. Action Plan for Gradual introduction of mandatory certification
9. Instructions for issuing bank guarantees in electronic form

**\*\*\*\*\* Indicator under 4.1.** To date, cumulatively 67 issues were raised by the four chambers of commerce (CoC): Economic Chamber of North-West Macedonia (ECNWM)-14; Macedonian Chambers of Commerce (MCC)-27; Economic Chamber of Macedonia (ECM)-21 and ICT Chamber of Commerce (MASIT)-5. Out of raised issues, 35 were resolved (or 52%) as a result of Project's supported activities under the PPD implemented together with the respective CoCs .The breakdown of the issue resolved is as following: ECM-12; MCC-14; ECNWM-6; MASIT-3.

**Indicator under 6.1.** By end of December'12, in total 995 people were trained. Out of which were 494 female and 501 male. The structure of the trained people according to gender balance is as follows:

- In IP were trained 112 individuals, from which 66 were females and 46 males.
- In EP were trained 300 individuals, from which 122 were females and 178 males.
- Under PP were trained 420, out of which 230 were females and 190 males and
- In PPD were trained in total 163 people, from which 76 were female and 87 males.

In the third year as a result of the planned activities, the Project is targeting to train additional 245 people. Therefore, cumulative target for year 3 is 1,240 and for the last year is 1485 following the projected progression for the third year.

Standard indicators under the USAID Foreign Assistance Framework Program Elements: Private Sector Productivity and Business Enabling Environment.

**4.1. (PPR)** Percentage of issues resolved, as a result of dialogue efforts supported by USG assistance. Indicator will be used for USAID/Macedonia Performance Plan Reporting purposes.

**4.6.1-17 (PPR)** Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders. Indicator is used for USAID/Macedonia Performance Plan reporting purposes starting from the beginning of FY2012. The baseline reflects the actual result of FY2011. The targets for each year are separate, not cumulative. By end of December'12, in total 1610 days were spent for providing assistance to Project counterparts.

**IX. TOTAL BUDGET FOR THE PERIOD JANUARY 01, 2013 – SEPTEMBER 30, 2013**

	<b>Total Budget for the period January 1 – September 30, 2013</b>
<b>BAH Labor (Home Office and Local Staff)</b>	\$515,000.00
<b>ODCs (operational costs)</b>	\$108,356.28
<b>Special Projects (ICs+BAH+ ODCs)/PR Marketing &amp; Communications/ICT Tools</b>	
<b>Component A (FDI/DI/Aftercare)</b>	\$50,000.00
<b>Component A (Export Promotion)</b>	\$53,500.00
<b>Component B (PPD)</b>	\$50,000.00
<b>Component C - Media</b>	\$24,000.00
<b>Professional Development</b>	\$35,000.00
<b>Total of Special Projects</b>	\$212,500.00
<b>Burdens, Fees, Overheads</b>	\$185,249.79
<b>TOTAL</b>	<b>\$1,021,106.07</b>

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